When Empowering Employees Works, and When It Doesn't

By:

- Allan Lee,
- Sara Willis, and
- Amy Wei Tian

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Summary.   Many leaders often try to empower their employees by delegating authority and decision-making, sharing information, and asking for their input. But a recent meta-analysis of 105 studies on this "empowering" leadership style found that it works best in motivating...more

Research has underlined demonstrated that when employees feel empowered at work, it is associated with stronger job performance, job satisfaction, and commitment to the organization.

Many leaders today often try to empower their employees by delegating authority and decision-making, sharing information, and asking for their input. But our recent research found that this style of leadership works best in motivating certain types of performance and certain types of employees. "Empowering" leaders should know when they can be most effective.

We conducted a meta-analysis of all available field experiments on leaders empowering subordinates – examining the results of 105 studies, which included data from more than 30,000 employees from 30 countries. Our paper was published in the Journal of Organizational Behavior. We looked at whether an empowering leadership style was linked to improved job performance, and we tested whether this was true of different types of performance, such as routine task performance, organizational citizenship behavior, and creativity. We also tested several mechanisms that might explain how this type of leadership would improve job performance – for example, were these effects caused by increased feelings of empowerment, or by increased trust in one's leader? Finally, we explored whether leaders who focused on empowering employees influenced employee job performance equally across different national cultures, industries, and levels of employee experience.

Our analysis yielded a few main results: first, empowering leaders are much more effective at influencing employee creativity and citizenship behavior (i.e., behavior that is not formally recognized or rewarded like helping coworkers or attending work functions that aren't mandatory) than routine task performance. Second, by empowering their employees, these leaders are also more likely to be trusted by their subordinates, compared to leaders who do not empower their employees. Third, leaders who empowered employees were more effective

at influencing employee performance in Eastern, compared to Western, cultures, and they had a more positive impact on employees who had less experience working in their organizations.

Empowering leaders had more creative and helpful employees.

Our meta-analysis compared the effects of leaders who were rated as more empowering by their direct reports with those who were rated are less empowering. Leaders who were perceived as more empowering were more likely to delegate authority to their employees, ask for their input, and encourage autonomous decision-making. And they were more likely to have employees who were rated, by either their leader or colleagues, as being highly creative and good organizational citizens. Specifically, this type of leadership seems to encourage employees to generate novel ideas and think of new ways of doing things, and to help others in the workplace, volunteer for extra assignments, and be willing to support their organization outside of an official capacity.

We found these effects happened through two distinct psychological processes. First, employees who thought their leaders were more empowering were indeed more likely to feel empowered at work – they felt a greater sense of autonomy or control in their work, they felt that their job had meaning and it aligned with their values, that they were competent in their abilities, and that they could make a difference. These feelings of empowerment helped to explain the effects of such leaders on both employee creativity and citizenship behavior. Empowered employees are more likely to be powerful, confident individuals, who are committed to meaningful goals and demonstrate initiative and creativity to achieve them. They typically have the freedom to generate novel ideas and the confidence that these ideas will be valued.

Second, employees were more likely to trust leaders who they perceived as more empowering. They had greater faith in their leaders and were more likely to put in effort without feeling that they would be exploited. This is not as intuitive as one might think. When a leader tries to empower employees, he or she asks them to take on additional challenges and responsibility at work. Employees' could interpret such delegating as the leader's attempt to avoid doing the work him or herself. But we found that when empowering leadership is also about mentoring and supporting employee development, this can create a trusting relationship. Like psychological empowerment, we found that this feeling of trust helped to explain the effects of empowering leadership on both creativity and citizenship. This is because trust reduces uncertainty in the environment by instilling a sense of safety, which enables employees to take on more risks without feeling vulnerable.

But feeling empowered doesn't always boost routine task performance.

We found that empowering leaders were linked to good employee performance on routine, core job tasks – but they weren't much different from non-empowering leaders. There was also a great deal of variation: sometimes leaders who tried to empower their employees ended up doing more harm than good. For instance, one study in our analysis found that by trying to

provide employees with additional responsibility and challenges at work, empowering leaders burdened their employees and increased their level of job stress. The empowering leaders who did see better performance on routine tasks were the ones who developed good relationship with their employees and were more trusted.

Our results again showed that the effects of leading by empowering others are determined by how employees perceive their leader's behavior. Followers may view greater autonomy or shared decision-making as an indication that the leader trusts them and is providing them with opportunities for self-development and growth – or they may see those as evidence that the leader can't lead and is trying to avoid making difficult decisions. In the latter example, employees may become frustrated and uncertain about their role, leading to worse performance on routine tasks. It is therefore vital that when trying to empower their employees, leaders do not add too much pressure or create uncertainty.

The key is in understanding employees' expectations. Recent <u>research</u>has demonstrated that employees have their own expectations of how much leaders should try to empower them. When the leaders' empowering approaches do not align with subordinates' expectations – for example, if they grant too much or too little autonomy and decision-making responsibilities – subordinates may perceive this behavior negatively.

Some employees respond to empowering leadership more than others.

To further understand why empowering leadership boosts some employees' routine job performance but not others', we analyzed other factors that might play a role, such as cultural setting, industry, and employee experience.

There is <u>some debate</u> as to whether empowering employees is a "Western" management principle, one that may not translate to "Eastern" cultures such as in China. We compared the effects of empowering leadership on employee task performance in Western and Eastern cultures. To our surprise, we found that leaders who were perceived as empowering by employees in companies located in Eastern cultures (such as China) had a bigger effect on routine performance than leaders in Western cultures (like the U.S.). In other words, empowering leadership behaviors (e.g., delegating authority and providing additional responsibility) were associated with better routine job performance among employees in Eastern compared to Western cultures. This result may be explained by the fact that, in Eastern societies, like China, India, and the Republic of Korea, those in more powerful positions are expected to assist and support those in lower positions, while subordinates are expected to be loyal and obey their leader. This social norm should enhance the acceptance of leadership empowerment among employees and even amplify its effects.

But in Western societies, like the U.S., UK, and Germany, employees may prefer and expect greater independence from their leader. In this context, the extensive care and concern shown by an empowering leader could be seen as an intrusion or even an attempt at informal control.

This may explain why we found weaker effects in Western cultures, where empowering leadership is seemingly not always welcomed.

We also looked at whether empowering leadership would be more effective in labor-intensive businesses (such as hospitality, construction, education, medical care), where people are key to organizational effectiveness, compared to asset-intensive businesses (for example, energy, telecommunications, and transportation), which require substantial investment in physical or financial assets. To our surprise, we did not find that to be the case. We assumed that empowering leadership might be more constrained in asset-intensive businesses due to automation and highly structured work processes, but our finding suggests that empowering leadership is beneficial across different industries.

Finally, we explored which employees might benefit most from a leader who seeks to empower them. We looked specifically at employees' tenure within the company because this information is typically available in most studies and is a good proxy for understanding employees' level of experience within an organization. We found that empowering leadership had a stronger positive influence on the day-to-day performance of employees who had less experience in the organization compared to employees who had been in their jobs for longer. In other words, empowering leaders saw greater improvements in job performance among less experienced employees than among more experienced employees. This also surprised us as we thought employees with less experience and job knowledge would be less able to seize opportunities given to them by managers. However, it is also likely that newer members of staff are especially keen to take opportunities and make a good first impression. Thus, affording newer staff the opportunity to take ownership of their role may be a particularly effective leadership tool.

Empowerment is about supporting employees.

Although our meta-analysis revealed new insights about empowering leaders, in some areas relatively few studies were available for analysis. For example, longitudinal studies were very rare and thus we could not determine causality – our correlations do not confirm whether empowering leadership caused increases in employee performance or whether employees who performed better were more likely to be given additional responsibility and empowered by their leaders. And few studies used objective performance data (such as sales data); most relied on leader ratings of employees' performance, which may be biased.

Overall, though, our results suggest that empowering leadership can motivate employees and fuel their creativity, but it can also create additional burdens and stress that may hurt their routine performance. It is crucial for managers to understand that empowering leadership has its limits and that factors like trust and experience affect how their behaviors are perceived.